

1 think we, we can do something for you so that's what I did.

2 Q Just so the record is, is clear, the licensed
3 facilities for the AM station are 5kW omnidirectional during
4 the day and 5kW directional at night?

5 A That's correct.

6 Q And in order for the station to have returned to the
7 air using those parameters, it would have first have had to
8 have submitted an FCC Form 302.

9 A That's not quite correct. It's the nighttime
10 pattern because it's directional that the staff is interested
11 in in making sure that the monitor points, the other values it
12 operates with, haven't changed.

13 Q But in, in other words though, in order to operate
14 with those parameters, meaning 5kW omni during the day and 5,
15 and 5kW directional night a 302 was required.

16 A You need the 302 for the nighttime portion, you
17 don't need it for the daytime portion because it's
18 nondirectional during the daytime and the condition that they
19 had set down didn't address that.

20 Q In order to go on the air though, prior to
21 submitting the 302, you on behalf of CAVAN volunteered to
22 operate the station at a reduced power day and night.

23 A That's correct.

24 Q And that's, that's the reason for this STA. Is that
25 correct?

1 A That's correct.

2 Q Okay, and the grant of that STA is reflected in
3 Bureau Exhibit No. 17. Is that correct?

4 A I believe that's correct, yes.

5 Q Now, the date of the grant is March 9, 1994.

6 A Correct.

7 Q And the authority to operate with reduced power
8 expires at the end of June in 1994. Is that correct?

9 A That's correct.

10 Q How soon after March 9 did the station commence
11 broadcasting?

12 A I think it was last Friday. The engineer was up
13 there. He finished his proof on the thing on the 18th so it
14 could have been a day before, but --

15 Q Is it your testimony that a FCC Form 302 has been
16 filed with the secretary's office?

17 A That is correct.

18 Q And is that FCC Form 302 reflected in Bureau Exhibit
19 No. 18?

20 A Yes. That's a copy of it.

21 Q Was this filed with the FCC's secretary's office on
22 March 22, 1994?

23 A No, that's the mailing date. I sent that by Federal
24 Express. They -- I assume they would have got it yesterday.

25 Q Do you have a stamped copy of the FCC Form 302?

1 A No, I don't. I, I don't. They only had it
2 yesterday. If they did they'd be sending it back to me in the
3 mail. I'm not, I'm not in Eugene, Oregon to get it.

4 Q There came a time when CAVAN requested a call sign
5 change to the Commission. Is that correct?

6 A Correct.

7 Q Do we have a copy in the record of that call sign
8 request?

9 A I don't know if we do or not. I believe I, I had a
10 provided a copy of the grant.

11 Q The grant?

12 A Yeah.

13 Q Yes, you did and the grant has been received as
14 attachment O --

15 A Right.

16 Q -- to your direct testimony. Incidentally, on
17 page 8 of your direct testimony, you testify that you
18 requested a call sign change to the call letters WEGO-AM.

19 A Well, that's --

20 Q Is that a typo?

21 A -- that's a, that's a typo. It should be EGP.

22 Those were the old call letters of the station that it had
23 been traditionally known by before we went to TMS so we went
24 back to -- we thought it would be a good idea to give it a
25 call sign that had some community familiarity.

1 Q The old call sign had been WEGP?

2 A That is correct.

3 MR. HUTTON: Just for the record, I'll note that the
4 call sign change request is contained in attachment L to CAVAN
5 Exhibit 1.

6 BY MR. SCHONMAN:

7 Q How many hours per day is the station broadcasting?

8 A I've been told that they're doing it -- since it's a
9 satellite feed that they're doing it round-the-clock.

10 Q Twenty-four hours a day?

11 A Yes.

12 Q And the station is using the call sign WEGP?

13 A As of the 18th.

14 Q What repairs if any did CAVAN have to perform in
15 order to get the AM station operational again?

16 A They had to -- well, the tube we thought we lost we
17 had to get that, plus we had to get a series of others. And
18 when they were testing it they had some capacitors or other
19 things that didn't work. They found out it kept growing. I'm
20 not sure how much we have spent on it so far because I haven't
21 got the bill back from the engineer who's done -- Mr. Soule
22 who's done all the work on it. He hasn't sent us the
23 statement yet. But I do know we had to go on an extended
24 equipment purchase/lease agreement with a group known as Part
25 Leasing to come up with the parts which was over ten grand.

1 And I had to personally guarantee that to get the credit to
2 get that equipment. And I don't know, there was, there was a
3 piece of FM equipment I got at the same time, I'm not sure
4 what component it was, but the majority of that money was
5 borrowed on my signature to get it back on the air. That's
6 just the parts. I don't know what, I don't know what my
7 engineering costs are going to be to do that and I'm probably
8 going to have to work out a payment plan with the guy.

9 Q I just want to make sure I understand what you're
10 saying -- what you're testifying to. CAVAN has spent or
11 committed to spend \$10,000 thus far?

12 A Over that. No, but I just don't have a firm figure.
13 I'm, I'm guessing, you know, just --

14 Q Well, I don't want you to guess. If you're going to
15 make --

16 A A reasonable estimate, a reasonable estimate to put
17 this station back on the air when, when that equipment is paid
18 for, \$12-, \$13,000. But it's not CAVAN's money. It's mine.

19 Q And that's about \$13,000 when all is said and done?

20 A As of date --

21 Q Is that how much has been spent to get the station
22 back on the air?

23 A It's either been -- it's already been spent out of
24 pocket or it's been borrowed and spent.

25 Q Why did CAVAN not make this station operational

1 before the 18th of this month?

2 A Because our -- we didn't have the money and the
3 reason I ventured to do this is because Mr. Schmursal who is
4 now -- he, he really is the Lobster Network, he's the one who
5 is going to be the real party with the LMAs to program it, and
6 he an option to buy the station for I think \$35,000. We also
7 have an arrangement that these monies that I'm telling you
8 about we spent, that we will be -- I think it's compensated up
9 to have reimbursement to get those back, that he will pick
10 those up provided there's a station to be sold. But I never
11 had a -- I mean, I, I never had the money to do it absent that
12 and I had to borrow the money to get most of the equipment we
13 needed to put it back on the air. I personally.

14 Q Why weren't the, the monumental efforts that you
15 personally and CAVAN generally have made in the past few
16 weeks, why weren't those efforts made before the release of
17 the show cause order?

18 A Because the staff has continually allowed you to
19 stay silent if you can show that you're making a good-faith
20 effort to find a buyer and I thought we had been doing that.
21 But when you get set for hearing, what I contended was a
22 mistake to begin with because the records show that the
23 telephone company says they transmitted that material to them
24 which my belief is it would have justified an extension. I
25 mean, we, we have pursued that. We had -- you know,

1 Mr. Schonman, one of the things that has been overlooked here
2 is that we had an agreement for the sale of both stations --
3 we had entered into an agreement for the sale of -- I
4 shouldn't say an agreement because we never got it to ink --
5 for the sale of both stations in 1992 to Four Seasons
6 Communications. They've been hung up in, in completing that
7 because they can't find the financing for it. They're,
8 they're the people who have an LMA with the FM station. And
9 we have gone around and around with those people in an effort,
10 you know, let's get this thing done. And we've been -- we'll,
11 we're working on this, we're working on that. And it was
12 after, it was after I had that agreement that, that I -- in
13 essence they said we're not going to be able to come up with
14 the money. So I've been -- I've -- and it's very difficult to
15 find a buyer for a stand-alone station. And Schmiersal likes
16 -- he's from Bangor, Maine and he likes the, the concept of,
17 of an AM radio because I think in the last couple years he's
18 become convinced that a radio talk format may well work up
19 there. Other small communities around the country there is
20 some indication that that's a very acceptable format to people
21 and that's what's been implemented. We got a radio talk
22 format. When he gets in there he's going to -- part of his
23 plan is to put a local flavor to it. Fact is, they've got a
24 person who's now doing some testing to see how well he can do
25 it, kind of a local call-in talk show. And he's -- you know,

1 he's willing to, you know, to take that risk in, in that
2 venture. But, you know, finding a buyer for a stand-alone AM
3 station is, is no easy task. I mean, the -- I think there's
4 evidence in there that from some brokers and others who --
5 they all tell you that. It's tough to find. Northern Maine
6 has been beset with economic problems. One of the problems
7 that's contributed to this is there is a large Air Force base,
8 Caribou Air Force Base, which is about 15 miles away which was
9 the largest single employer in the area and unfortunately it
10 made the Department of Defense's hit list about two years ago
11 which made the community all the more not attractive to bring
12 in a would be buyer. There's lots of things you can throw out
13 in mitigation, but it has been a very, very difficult time in
14 northern Maine.

15 Q Is the station now originating its own programming?

16 A It's satellite-fed.

17 Q What company is providing the programming?

18 A IBN out of Florida.

19 Q Say it again.

20 A It's IBN, that's the acronym. I believe it stands
21 for International Broadcast Network and it's a news-talk
22 format.

23 Q For a moment I thought you said IBM.

24 A No. Not yet.

25 Q I thought they were in the computer business, not

1 the programming business.

2 A Talking to you in bits and pieces.

3 Q Do you have a contract with IBN?

4 A I don't. Lobster has the contract with them. They
5 got the contract. But I -- with Schmersal and Lobster since
6 we redid this agreement I said this hearing is not going to be
7 over until April and he's got other things he's got to work
8 out. He's trying to obtain some rights to some other talk
9 show networks to mix in with it and I'm not quite sure. He
10 also has to -- apparently there is some production equipment
11 he wants to get that he's in the process of getting that he's
12 putting into it and he didn't have it so he was agreeable to
13 push this off till the first of, first of April.

14 Q So, if I understand correctly, the contract to
15 provide programming for CAVAN's AM station is between
16 International Broadcast Network, IBN --

17 A Um-hum.

18 Q -- and the Lobster Company?

19 A That's right. I mean, it's a, it's a very informal
20 arrangement. I mean, I've got -- he's let me use that because
21 his agreement is not going to start until the, until, until
22 the first -- another --

23 Q He meaning who?

24 A Mr. Schmersal, Lobster, I'm sorry.

25 Q Is the contract between IBN and Lobster, is that

1 contract in writing?

2 A I don't know. I've not seen it.

3 Q Do you know the terms of that contract?

4 A I don't.

5 Q You don't know how -- what, what the length of it
6 is?

7 A No, I don't.

8 Q And what is the nature of your present relationship,
9 that is, CAVAN's present relationship, with Lobster?

10 A They're, they're the contract party in the, in the
11 LMA.

12 Q Is the LMA effective now?

13 A No. It's the first -- it becomes effective the
14 first of April.

15 Q Well, what -- my question is, what is CAVAN's
16 relationship with Lobster now?

17 A Well, it's an executory contract. We're parties to
18 the same contract. It becomes effective, it becomes effective
19 in another week or so. I -- I mean, I, I'm not sure what
20 you're getting at.

21 Q I'm just asking a question. I'm not getting at
22 anything. I'm looking for a response.

23 A We're two parties to a contract.

24 Q That has not gone into effect yet?

25 A That's correct -- it's just executory. It's an

1 effective contract but is an executory contract.

2 Q Do you know how long the AM station will continue
3 carrying the programming from IBN?

4 A No, I mean, I don't.

5 Q Is the AM station being operated out of the same
6 building with the FM station?

7 A Yes, that's correct.

8 Q Does the AM station have a main studio?

9 A Yes, it does.

10 Q And where is the main studio located?

11 A At 160 Airport Drive in Presque Isle, Maine.

12 Q Is that the same location as the FM studio?

13 A Yes. They're, they're co-located in the same
14 building.

15 Q Does the AM station's main studio have program
16 origination capability?

17 A Yes, indeed it does. Had to rebuild the boards for
18 it. Still --

19 Q I'm sorry?

20 A They had to rebuild the board.

21 Q Now, I'm talking only about the AM station.

22 A Um-hum.

23 Q Who's employed to operate the AM station now?

24 A Andy Rebshur.

25 Q Can you spell that?

1 A R-E-B-S-H-U-R, who is our, who is our chief.

2 And --

3 Q Chief engineer?

4 A Yeah. And a woman named Mary Mayo, M-A-Y-O.

5 Q And who is Mary Mayo?

6 A She's, she's been our general manager.

7 Q For the FM station?

8 A General manager for the station. Yes. The AM and
9 the FM station. They function in both capacities.

10 Q Are there any other employees for the AM station?

11 A Only on part-time basis, technical work and what-
12 not. I just don't -- their names escape me.

13 Q Is Mr. Rebshur, your, your chief engineer --

14 A Um-hum.

15 Q -- is he also the FM station's chief engineer?

16 A That's correct.

17 Q Are there any individuals working for the AM station
18 now who do not also work for the FM station?

19 MR. HUTTON: I object on grounds of relevance. I
20 don't understand what the staffing of the station has to do
21 with --

22 MR. SCHONMAN: Well, would you like a reply, Your
23 Honor?

24 JUDGE LUTON: Yes.

25 MR. SCHONMAN: Your Honor, issue number one asks us

1 to determine whether CAVAN has the capability and intent to
2 expeditiously resume broadcast operations and I think the
3 extent to which it has hired a staff, the extent to which it's
4 in compliance with various Commission's rules go to whether
5 CAVAN has satisfied this first issue. If CAVAN is simply
6 planning to put the station on for a few days for the purpose
7 of this hearing as opposed to putting it on on a more
8 permanent basis that would be very relevant.

9 JUDGE LUTON: All right. That's enough.

10 MR. SCHONMAN: And the staffing of the station is --
11 goes to that matter.

12 JUDGE LUTON: I understand. Overruled.

13 WITNESS: And your question again, sir?

14 BY MR. SCHONMAN:

15 Q Are there any employees who work for the AM station
16 who are not also employees of the FM station?

17 A There are two other individual but they're not my
18 employees. They're going to be employed by, by Lobster who do
19 production, sales, etc., and their names are Matthew, Matthew
20 Nelson and a gentleman named Chris Putnam and they're, they're
21 full time but they're not my employees but they're working
22 there in anticipation of, of the station --

23 Q They're -- are they currently deriving their
24 salaries from Lobster --

25 A Yes.

1 Q -- or from CAVAN?

2 A No, from Lobster.

3 Q Who at the station is -- that is, the AM station, is
4 responsible for compliance with the Commission's EEO
5 requirements?

6 A Mary Mayo.

7 Q Is she also the individual in charge of maintaining
8 the station's public inspection file?

9 A Yes, she is.

10 Q Does the station have a public inspection file?

11 A They sure do.

12 Q Does CAVAN have an operation budget for the AM
13 station?

14 A A written one?

15 Q Yes.

16 A No, none that I know of. We did an estimate as to
17 what is was -- we put figures together as to what it was going
18 to take to put it back on the air and the functions -- CAVAN
19 -- both Mr. Rebshur and Ms. Mayo are full time and there's no
20 additional monies needed to increase their -- I mean, they --
21 an increase in salary because they took on the function of
22 overseeing the, of overseeing the AM.

23 Q When you say that we, we meaning --

24 A Well --

25 Q I don't know what you're talking about.

1 A -- we, CAVAN.

2 Q So, CAVAN does not have a written operating budget
3 for its, for its AM station?

4 A No, it does not.

5 JUDGE LUTON: I think we ought to take our luncheon
6 recess. I'm prepared to recess now and return at 1:30. You
7 have a fair amount more to go I take it.

8 MR. SCHONMAN: Well, fair.

9 JUDGE LUTON: Fair amount. All right. We'll recess
10 --

11 MR. SCHONMAN: We'll be able to go home today I'm
12 sure.

13 JUDGE LUTON: Okay. Let's return at 1:30 this
14 afternoon. Continued.

15 (Whereupon, off the record for lunch at 12:25 p.m.
16 to reconvene at 1:35 p.m.)

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1 A F T E R N O O N S E S S I O N

2 JUDGE LUTON: Let us continue with the cross-
3 examination of Mr. Monahan.

4 BY MR. SCHONMAN:

5 Q Thank you, Your Honor. Mr. Monahan, does CAVAN have
6 any sort of advertising budget for promoting the fact that a
7 "news station" is on the air in Presque Isle, Maine?

8 A CAVAN doesn't, but, but Lobster is undertaking a
9 promotional campaign. I, I don't know if it's appeared in the
10 paper yet or not.

11 Q Let's turn to the local marketing agreement with
12 Lobster which is the revised attachment K to your direct
13 testimony.

14 A Um-hum.

15 Q And I believe there is a provision somewhere in this
16 agreement for Lobster to purchase the AM station from CAVAN.
17 Is that correct?

18 A Yes. Page 9, section 10.

19 Q Why is that provision part of this LMA?

20 A I could have done it as a separate one. I, I put it
21 in here. They have, they have to make the election to do it.
22 They have a year to do it. I would anticipate that if they
23 make the election it will be done under, under a separate
24 purchase agreement. But, you know, the whole, the whole idea
25 was that, that Lobster went into this wanting the, the

1 opportunity to buy the thing. I think they probably are using
2 this one year -- up to one-year period to get a feel for the
3 market and see how well they do with --

4 Q And did CAVAN go into this with the feeling that it
5 wanted to sell the station?

6 A You mean this LMA?

7 Q Yes.

8 A Yes, we did. I mean, our goal was to sell the
9 station and this is -- this was the only vehicle we could come
10 up with where we could find a way to ultimately sell the
11 station to, to a buyer.

12 Q Now, I notice that the, the termination provisions
13 on page 2 --

14 A Yes.

15 Q -- provide that either CAVAN or Lobster can
16 terminate the, the agreement within 90 days upon written
17 notice. And my question for you is, if the LMA were
18 terminated for any reason --

19 A Um-hum.

20 Q -- how would CAVAN operate the station?

21 A We haven't had to confront that yet, but the -- you
22 know, we've now got over ten grand into the thing. I would --
23 you know, I'm only speculating what would happen. I mean,
24 I've got confidence in, in Schmursal and his group. He's pre-
25 sold the thing to would-be advertisers and he's had --

1 apparently he's had some pretty good success with it. You
2 know, unless he screws it up somehow or does something with
3 his programming that we don't like, you know, I'm not
4 anticipating that it would happen, but if it did happen how
5 would we do it? We don't have a -- what you call a fall-back
6 or a contingency plan to do it, but having been through this
7 process I ain't about to take it off the air and have to incur
8 this trouble again.

9 Q Well, I understand that you, you -- that's not your
10 intentions, but if the LMA were to somehow be terminated would
11 CAVAN had the, the capability of operating the station?

12 A Would they have the capability of operating? Only
13 if the shareholders go out and get the money to do it. I
14 mean, unless, unless we could come up with an alternative to,
15 to make it self-sustained, self-sustaining with sales. Now,
16 the -- frankly, I have been pleasantly surprised with
17 Lobster's efforts to get the community back into it. I think
18 in part it's the idea it's returning to this WEGP. It's the
19 -- now it's the only AM station that's operating in the
20 market. That market has lost, has lost two AM stations and
21 the one in Monticello -- there's an AM station in Monticello,
22 I'm not sure whether that's back on the or not. But there
23 were -- traditionally there have been four AM stations in that
24 market and all of them have had trouble. WAGM went off the
25 air permanently, I don't know, two, three years ago, maybe

1 even longer.

2 Q Where is that located, or was located?

3 A AGM was in Presque Isle. It was licensed to Presque
4 Isle. The, the -- but I know that they definitely turned the
5 license in on that one. And there was a WFST was a day-timer
6 station, 600, 610, low on the dial that --

7 Q Presque Isle?

8 A That's -- no, that's Caribou. This is the adjoining
9 community maybe 10 miles away. That went off the air but it
10 has since been sold to a religious group and the religious
11 group is in the process of putting it back on the air. I
12 think they had to find a studio space or something like that.
13 And then there's the station in Monticello which was WREM and
14 I don't know if it's off the air now or not, but it has been
15 off the air back and forth. The station has been subject to a
16 lot of problems with the Commission. But I believe right now
17 we may be the only operating AM station which because of that
18 unique circumstances may give it more economic appeal in that
19 community. There's an older, there's an older demographic in
20 the Presque Isle market. The, the idea of this news-talk
21 format which nationally there are shows which are used by AM
22 stations in which done right appears can, can make a go of.

23 Q But you no idea how long Lobster is going to carry
24 that programming. Is that correct?

25 A I don't know the term of their contract with them.

1 Typically, those contracts are two to seven years when you
2 sign up for them. I don't -- but, you know, I don't know what
3 the term is on that.

4 Q Where is that network located?

5 A Out of Florida. I -- but I don't know the city. I
6 know it's a Florida-based satellite network.

7 Q Does it broadcast the programming from other
8 stations or does it --

9 A No, it --

10 Q -- originate programming?

11 A -- it originates programming, packages that sends it
12 up by satellite and it's satellite-received.

13 Q I just want to make sure I understand your
14 testimony. If the LMA for any reason was terminated, CAVAN
15 does not have the capability or would not have the capability
16 to operate the station? Is that correct?

17 A Right now in and of itself there are -- there is not
18 financial resources to keep that aboard unless the
19 shareholders were to dig into their pockets or secure funds to
20 do that.

21 Q And that's --

22 A We have not made an alternative plan to, to put it
23 on ourselves.

24 Q I'm sorry. I missed the last part.

25 A We have not made an alternative plan to put it on

1 ourselves should, should Lobster not succeed.

2 Q In your direct testimony on the very last page, page
3 9, you state that, "As the financial statements and tax
4 returns for the station evidence show, the combined losses of
5 CAVAN are now approximately \$600,000."

6 A Um-hum.

7 Q Do you see that?

8 A Well, I know that's -- the figure is roughly in the
9 ball park.

10 Q And my question for you is what is your basis for
11 that \$600,000 figure?

12 A My partner here is an accountant -- better to answer
13 that than I, but it's --

14 Q You're the witness.

15 A Yeah, well, I -- it's, it's off the, off the balance
16 sheets that have regularly prepared. We've accrued -- we've
17 had the station for seven years. Seven? Yeah, seven -- close
18 to seven years and we, we bought the stations and five months
19 after we bought them our manager which was a key, key
20 ingredient of going into it was experienced -- left. And
21 since that time we have, we have suffered an inability to get
22 what I call key management to run the stations properly. So,
23 we have had -- we have lost money every year. This year, this
24 year, and I think it shows in one of the -- in the balance
25 sheet, '93, under an LMA arrangement where the income stream

1 was from the payment we were getting, we -- I think we showed
2 a net income of \$5,000. But that's a little bit deceptive
3 because we're still paying off tremendous amount of debt that
4 had been built up in, in payables, just operating payables, in
5 the losses which have been incurred over, over the, over the
6 past six-and-a-half years of operation.

7 Q Well, I'm not an accountant either. So perhaps you
8 can guide me through the financial statements that you've
9 provided --

10 A Sure.

11 Q -- and help explain to me where the \$600,000 figure
12 comes from.

13 A Tom, do you have a set of the financial statements
14 there?

15 Q And that's Exhibit N to your direct testimony. I'm
16 sorry, attachment N.

17 A The -- there's a balance sheet of 1993. If you have
18 the balance sheet from 1993 there --

19 Q Yes. Who prepared this, by the way?

20 A Mr. Hampshire.

21 Q Can you identify Mr. Hampshire, please?

22 A Mr. Hampshire is sitting here in the room.

23 Q His first name and last name?

24 A Walter S. Hampshire.

25 Q He is also a shareholder of CAVAN?

1 A That's correct. And he's, he's an accountant by, by
2 profession so that's why he does the books. I'm pointing down
3 there in the parenthesis at the bottom of -- this is a balance
4 sheet of, of 1993 which says, says, "Retained earnings minus
5 \$603,277."

6 Q What does that mean, retained earnings?

7 A Well, I'd have to defer. It's been explained to me
8 that that's the losses we're incurred to date and it's a minus
9 figure rather than a positive figure.

10 Q Losses incurred since when to your knowledge?

11 A October of, of 1987.

12 Q This is not an audited financial statement is it?

13 A No, it's not. Can't afford those.

14 Q And it's that figure, the \$603,277 which is the
15 basis for your \$600,000 figure in your direct testimony?

16 A That's correct.

17 Q And I see on the next page the net income to which
18 you were referring earlier, \$5,553 --

19 A That's correct.

20 Q -- do I take that to mean that CAVAN made money in
21 calendar year 1993?

22 A As an arithmetic function that's right, 5,553, but I
23 can assure you that money went to pay things like a lot of
24 back bills. But what's not reflected here is -- where are
25 they? -- payables. I'm looking for the -- our liabilities.

1 For instance, if you'll look at the 1993 balance sheet you'll
2 see accounts payable which are \$37,000, five-hundred. You
3 know, that's surplus. That \$5,000 surplus has gone in to pay
4 -- that figure I'm sure if you look at 1992 was larger and
5 those funds were used to whittle that down some.

6 Q The 1992 statement is reflected in the supplemental
7 materials that were provided today. Can you --

8 A Correct, and I'm looking here for the, the payable
9 amount there. Yeah, the -- you'll notice the accounts payable
10 at the end of December of '92 was around \$54,000.

11 Q So, last year the accounts payable went down from
12 54,201 --

13 A Right.

14 Q -- down to 37,532?

15 A Right. Some of those -- I don't -- some of those
16 were done probably with negotiated settlement out -- or, you
17 know, people agreed to accept so much money on the buck.
18 Wasn't that it was all dollar-for-dollar paying although some
19 of it has been that too.

20 Q Does CAVAN any -- have any projected balance sheets?

21 A No, we -- I don't. We haven't done any, no.

22 Q In the supplemental sheets would you turn to -- the
23 page aren't numbered so let me do my best here to direct your
24 attention to the 1992 Form 1120-S.

25 A Yes.

1 Q On the first page of that form, 1992 returns,
2 there's no signature at the bottom. Was this form filed with
3 the IRS?

4 A Well, I'm sure it was. I -- if you -- Mr. Hampshire
5 prepares and files these and I -- this is a copy of -- this is
6 a file copy of it. But yes, I --

7 Q Your copy doesn't have a signature on it does it --

8 A No, it does not.

9 Q -- because mine does not either.

10 A No.

11 Q Similarly, the 1993 Form 1120-S doesn't have a
12 signature on the first page of that return either.

13 A That's, that's right, it, it does not have one. But
14 it's my understanding the return has been executed and filed
15 with the IRS because I believe these have to be filed --
16 instead of April 15th, they have to be filed on March 15th and
17 they've been filed.

18 Q Now, the tax returns wouldn't reflect the \$600,000-
19 plus figure would it?

20 A No, that's, that's something -- that's what a
21 balance sheet will show for you. Well, I take that back. Let
22 me, let me -- having looked here a little closer I do believe
23 that it does in one of the schedules. For instance, the 1992
24 schedule --

25 Q Just a minute.